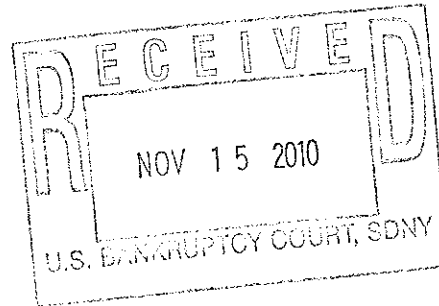


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9 **UNITED STATES BANKRUPTCY COURT**  
10 **SOUTHERN DISTRICT OF NEW YORK**

11 In Re:

12 MESA AIR GROUP, INC. *et al.*,

13 Debtors.

Chapter 11

Case No. 1:10-bk-10018-MG

**OBJECTION TO AMENDED JOINT  
PLAN OF REORGANIZATION OF MESA  
AIR GROUP, INC. AND AFFILIATED  
DEBTORS UNDER CHAPTER 11 OF  
THE BANKRUPTCY CODE  
[Docket No. 1198]**

15 Maricopa County, a secured tax lien creditor, by and through its undersigned  
16 counsel, hereby objects to confirmation of the *Amended Joint Plan of Reorganization of*  
17 *Mesa Air Group, Inc. and Affiliated Debtors under Chapter 11 of the Bankruptcy Code*  
18 *(the "Plan")*.  
19

20 **FACTS**

21 Maricopa County filed an Amended Proof of Claim, #1419 with the Claims Agent  
22 on September 22, 2010 in the amount of \$71,143.13 representing 2009 and 2010  
23 personal property taxes on parcel 948-98-394 having a situs address of 3939 E. Airline  
24 Dr., Phoenix, Arizona. Interest accrues on the afore-mentioned secured tax claims at  
25

1 the statutory rate of 16% per annum until paid in full, if not timely paid. See 11 U.S.C. §  
2 511 and A.R.S. § 42-18053.

3 Maricopa County filed an Amended Proof of Claim, #1425 with the Claims Agent  
4 on September 27, 2010 in the amount of \$134,632.31 representing 2009 and 2010  
5 personal property taxes on several tax parcels. Interest accrues on the afore-mentioned  
6 secured tax claims at the statutory rate of 16% per annum until paid in full, if not timely  
7 paid. See 11 U.S.C. § 511 and A.R.S. § 42-18053.

8 Maricopa County filed a Proof of Claim on February 12, 2010 in the amount of  
9 \$14,932.61 representing the second half of the 2009 real property taxes and the 2010  
10 unliquidated real property taxes on Debtors' property identified as the Del Rio Hotel  
11 property. The second half of the 2009 taxes has been paid in full. Debtors abandoned  
12 their interest in the Del Rio Hotel property on June 11, 2010.

### 13 OBJECTIONS TO THE PLAN

14 Maricopa County objects to confirmation of the Plan as it fails to clearly provide  
15 for the accrual of interest from the Petition Date at the statutory rate of 16% per annum  
16 on Maricopa County's secured tax claims. Arizona law grants Maricopa County valid  
17 liens on Debtors' real and personal property that are "prior and superior to all other liens  
18 and encumbrances on the property." See A.R.S. § 42-17153. The 2009 and 2010  
19 property taxes were incurred by Debtors pre-petition with 2009 incurred on January 1,  
20 2009 and 2010 incurred on January 1, 2010. Maricopa County is entitled to interest on  
21 its secured tax claims from the Petition Date pursuant to 11 U.S.C. § 506(b). Interest  
22 accrues on the afore-mentioned secured tax claims from the Petition Date through the  
23 Effective Date and from the Effective Date through the date of payment in full at the  
24 applicable statutory rate of 16% per annum. See 11 U.S.C. § 511 and A.R.S. § 42-  
25 18053. In addition, the Plan provides the following "Debtors may elect in their sole

1 discretion to pay any or all such Claims at any time, without premium or additional  
2 penalty, if any, in which case the payment shall not include interest if paid on the  
3 Effective Date." Maricopa County objects to any treatment that does not provide for the  
4 accrual of interest from the Petition Date at the statutory rate of 16% per annum on its  
5 secured tax claims if said taxes are not timely paid pursuant to State law.

6 Further, Maricopa County objects to receiving deferred cash payments if said  
7 payments do not pay the secured tax claims in full within 5 years of the Petition Date.  
8 The Plan does not specify that all deferred cash payments will be completed no later  
9 than 5 years from the Petition Date in accordance with 11 U.S.C. § 1129(a)(9)(C).

10 Maricopa County proposes the following treatment of its Secured Tax Claims:

11 Maricopa County's pre-petition secured tax claims for tax  
12 years 2009 and 2010 shall be paid in regular installment  
13 payments in accordance with Bankruptcy Code §§  
14 1129(a)(9)(C) and (D), over a period ending not later than 5  
15 years from the Petition Date with interest paid at the  
16 statutory rate of 16% per annum, together with accrued and  
17 accruing post-petition interest until the claim is paid in full.  
18 Maricopa County shall retain its liens for unpaid 2009 and  
19 2010 taxes until such time as the taxes and any related  
20 interest is paid in full. Real and personal property taxes  
21 incurred post-petition shall be paid in the ordinary course of  
22 Debtors' business with interest accruing at the statutory rate  
23 if not timely paid, and Maricopa County is not required to file  
24 requests for payment of administrative expenses related to  
25 the payment of post-petition taxes per 11 U.S.C. 503 §  
(b)(1)(D).

### CONCLUSION

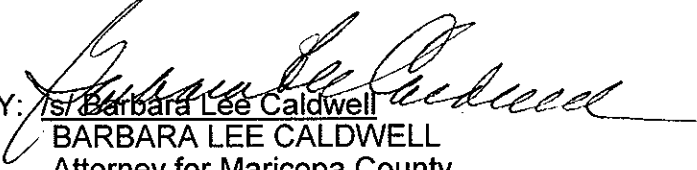
21 Based on the foregoing, Maricopa County respectfully requests that the Court  
22 deny confirmation of the Plan unless Debtors further amend the Plan to specifically  
23 provide that Maricopa County's secured tax claims will be paid in full, with interest  
24

25 ///

1 accruing from the Petition Date at the statutory rate of 16% per annum, over a period  
2 ending not later than 5 years from the Petition Date in accordance with 11 U.S.C. §§  
3 1129(a)(9)(C) and 1129(a)(9)(D).

4 RESPECTFULLY SUBMITTED this 9th day of November, 2010.

5 CALDWELL PADISH & WELLS

6  
7  
8 BY:   
9 BARBARA LEE CALDWELL  
10 Attorney for Maricopa County

11 ORIGINAL of the foregoing **E-FILED**  
12 This 9th day of November, 2010 with:

13 Clerk, United States Bankruptcy Court  
14 Southern District of New York  
15 One Bowling Green  
16 New York, NY 10004-1408

17 Copies of the foregoing **MAILED** or  
18 **ELECTRONICALLY** mailed  
19 this 9th day of November, 2010 to:

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18   
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25